

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

In the Matter of	)	
	)	
<b>Townes Telecommunications, Inc.</b>	)	
Transferor	)	
	)	WC Docket No. ____
<b>Hilliary Acquisition Corp. Texas, LLC</b>	)	
Transferee	)	
	)	
For the Transfer of Control of Tatum Telephone Company, Inc.,	)	
its wholly-owned subsidiary that provides interstate interexchange	)	
and exchange access services in Texas pursuant to blanket	)	
domestic section 214 authorization	)	

To: Wireline Competition Bureau

**STREAMLINED APPLICATION FOR TRANSFER OF CONTROL OF DOMESTIC  
BLANKET SECTION 214 AUTHORIZATIONS**

Townes Telecommunications, Inc. (“TTI” or “Transferor”; FRN: 0001657238) and Hilliary Acquisition Corp. Texas, LLC (“Hilliary” or “Transferee”; FRN 0027882158) hereby request Commission authorization for the transfer of control of TTI’s direct subsidiary, Tatum Telephone Company, Inc. (“Tatum”; FRN 0003757564) and the blanket domestic 214 authorization held by Tatum, to Hilliary. Tatum is a rural incumbent local exchange carriers (“ILEC”) and Internet service provider in the State of Texas pursuant to a blanket domestic Section 214 authorization.

Tatum is a Texas corporation that provides local exchange telephone services (including interstate exchange access) to residential consumers and business customers in the Tatum exchange in Rusk and Panola Counties in northeastern Texas. Tatum Telephone Company also

provides intraLATA long distance toll services to customers within its local exchange service area. Tatum holds a certificate of public convenience and necessity (“CPCN”) from the Public Utility Commission of Texas to provide exchange telephone services (including interstate exchange access) in the Tatum exchange in Rusk and Panola Counties in northeastern Texas.

Transferor, TTI, the ultimate parent company of Tatum, is a Texas corporation owned 100 percent by husband and wife, Larry C. Townes (FRN: 0007742984) and Phillis Townes (FRN: 0018863696), both citizens of the United States.

There are presently 24,000 shares of Common Stock (par value \$1.00 per share) of Tatum owned by TTI. The present application seeks FCC consent for the transfer of control of Tatum and the Domestic 214 authorization held by Tatum from TTI to Hilliary, an Oklahoma limited liability company that was newly formed to acquire a controlling interest in Tatum and its affiliate, Electra Telephone Company, Inc. (“Electra”; FRN 0003757580), also a Texas corporation. A separate application is also being filed with the Bureau to seek approval for the transfer of control to Hilliary of the domestic 214 authorization held by Tatum’s affiliate, Electra, and a separate application is being filed through the IBFS to seek approval for the transfer of control to Hilliary of the International 214 authorization held by Electra (ITC number ITC-214-20030516-00244).

Hilliary is an Oklahoma holding company with its principal office in Medicine Park, Oklahoma. Hilliary is owned by Edward E. Hilliary, Jr. (FRN 0017195116), Dustin J. Hilliary (FRN 0017195173), Michael J. Hilliary (FRN 0017195207), and Douglas J. Hilliary (FRN 0017195132) with each holding a 25 percent interest. Each interest holder is a United States citizen. Hilliary does not offer domestic telecommunications services. Hilliary, and its owners,

directly or indirectly hold ownership interests in the following entities that provide local exchange and domestic interexchange services in Oklahoma: (1) Medicine Park Telephone Company, Inc.; (2) Oklahoma Western Telephone Company, Inc.; (3) Phoenix Long Distance, Inc.; (4) Wichita Online, LLC; (5) Southern Plains Cable, LLC; and (6) Texhoma Fiber, LLC.

The proposed transaction will involve the purchase by Hilliary of the 24,000 shares of Common Stock of Tatum owned by TTI. Upon consummation of the proposed transfer of control, Tatum will be controlled by Hilliary. Dustin J. Hilliary is the Managing Member of Hilliary. The day-to-day operations of Tatum will not change after the closing of the proposed transaction because Hilliary, pursuant to a Consulting and Non-Competition Agreement with TTI, will retain TTI as a consultant to assist in the transition of Tatum to Hilliary.

The acquisition of a controlling interest in Tatum by Hilliary will not result in any changes to the day-to-day operations of, including the geographic areas served and services offered by Tatum. The proposed transaction is entitled to streamlined treatment pursuant to section 63.03(b)(2)(iii) of the Commission's Rules. Upon consummation of the transfer of control, all companies affiliated with Hilliary will have a market share in the interstate, interexchange market of less than 10% and all the rural LEC affiliates of Hilliary will have, in combination, fewer than two (2) percent of the subscriber lines installed in the aggregate nationwide. Finally the transaction would result in no new overlapping or adjacent service areas.

In accordance with the requirements of Section 63.04(a) of the Commission's Rules, the Applicants submit the following information:

**1. Name, address and telephone number of each applicant:**

**Transferor and Applicant (Tatum):**

Larry C. Townes, President  
Townes Telecommunications, Inc.  
P.O. Box 729  
120 E First Street  
Lewisville, AR 71845  
Phone: (800) 255-1975  
E-mail: [lct@townes.net](mailto:lct@townes.net)

**Transferee:**

Dustin J. Hilliary, Managing Member  
Hilliary Acquisition Corp. Texas, LLC  
P.O. Box 171  
#1 Big Rock Boulevard  
Medicine Park, OK 73557  
Phone: (580) 529-5000  
E-mail: [dustin.hilliary@hillcom.net](mailto:dustin.hilliary@hillcom.net)

**2. Government, state or territory under the laws of which each corporate or partnership applicant is organized:**

Townes Telecommunications, Inc. (TTI) is a domestic corporation organized under the laws of the State of Texas.

Tatum Telephone Company, Inc. ("Tatum"), the domestic 214 holder, is a domestic corporation organized under the laws of the State of Texas.

Hilliary Acquisition Corp. Texas, LLC (Hilliary), is an Oklahoma limited liability company.

**3. Name, title, post office address, and telephone number of the officer or contact person to whom correspondence concerning the application is to be addressed:**

**Transferor and Applicant (Tatum):**

Larry C. Townes, President  
Townes Telecommunications, Inc.  
120 E First Street  
Lewisville, AR 71845  
Phone: (800) 255-1975  
E-mail: [lct@townes.net](mailto:lct@townes.net)

**Legal Counsel**

Benjamin Dickens  
Blooston, Mordkofsky, Dickens, Duffy & Prendergast  
2120 L Street, NW, Suite 300  
Washington, DC 20037  
Phone: (202) 828-5510  
E-Mail: [bhd@bloostonlaw.com](mailto:bhd@bloostonlaw.com)

**Transferee:**

Dustin J. Hilliary, Managing Member  
Hilliary Acquisition Corp. Texas, LLC  
P.O. Box 171  
#1 Big Rock Boulevard  
Medicine Park, OK 73557  
Phone: (580) 529-5000  
E-mail: [dustin.hilliary@hillcom.net](mailto:dustin.hilliary@hillcom.net)

**Legal Counsel**

Carri Bennet  
Womble Bond Dickinson (US) LLP  
1200 Nineteenth Street, NW, Suite 500  
Washington, DC 20036  
Phone: (202) 857-4519  
E-mail: [carri.bennet@wbd-us.com](mailto:carri.bennet@wbd-us.com)

**4. Name, address, citizenship and principal business of any person or entity that directly owns at least ten (10) percent of the equity of the applicant, and the percentage of equity owned by each of those entities:**

Applicant, Tatum (Before the Transaction) is 100 percent owned by TTI. The ownership of TTI is set forth below:

<b>Name &amp; Address</b>	<b>Ownership %</b>	<b>Citizenship</b>	<b>Principal Business</b>
Larry C. Townes FRN: 0007742984 120 E. First St. Lewisville, AR 71845 Phone No.: (800) 255-1975	100%*	US	President, Holding Company
Phillis Townes FRN 0018863696 120 E. First St. Lewis, AR 71845 Phone No.: (800) 255-1975	100%*	US	Secretary/Treasurer Holding Company

\*Larry C. and Phillis Towners are husband and wife, and jointly own 100 percent of TTI pursuant to Texas community Property law.

Applicant, Tatum (After the Transaction) will be 100 percent owned by Hilliary. The ownership of Hilliary is set forth below:

<b>Name &amp; Address</b>	<b>Ownership %</b>	<b>Citizenship</b>	<b>Principal Business</b>
Edward E. Hilliary, Jr. FRN 0017195116 931 NE Brown Elgin, OK 73538	25%	US	Telecommunications
Dustin J. Hilliary FRN 0017195173 #1 Hilliary Dr. Lawton, OK 73507	25%	US	Telecommunications, Managing Member
Michael J. Hilliary FRN 0017195207 P.O. Box 223 Medicine Park, OK 73507	25%	US	Telecommunications
Douglas J. Hilliary FRN 0017195132 4052 NW Tackle Box Road Lawton, OK 73507	25%	US	Telecommunications

**5. Certification pursuant to 47 C.F.R. §§1.2001 through 1.2003 that no party to the application is subject to denial of Federal benefits pursuant to section 5301 of the Anti-Drug Abuse Act of 1988.**

The parties hereby certify, pursuant to 47 C.F.R. §§1.2001 through 1.2003, that no party to the present application is subject to denial of Federal benefits pursuant to section 5301 of the Anti-Drug Abuse Act of 1988.

**6. Description of the transaction:**

The proposed transaction will involve the purchase by Hilliary of the 24,000 shares of Common Stock of Tatum owned by TTI. Upon consummation, Hilliary will own 100 percent of Tatum.

**7. Description of the geographic areas in which the transferor and transferee (and their affiliates) offer domestic telecommunications services, and what services are provided in each area:**

**Transferor:**

Transferor, TTI, a Texas corporation and holding company directly or indirectly owns the following ILECs that provide local exchange telephone services (including interstate exchange access) in rural portions of Texas, Arkansas, Kansas, Missouri, Colorado, Florida and Pennsylvania:

Electra Telephone Company, Inc., a Texas corporation and wholly-owned subsidiary of TTI, provides local exchange telephone services (including interstate exchange access) in the Electra exchange in Wichita County in north central Texas.

Walnut Hill Telephone Company (“WHTC”) is a wholly-owned subsidiary of TTI. WHTC provides local exchange telephone services (including interstate exchange access) in the Lewisville, Foreman, Mineral Springs, Bradley, Saratoga and Winthrop exchanges in Lafayette, Little River and Howard Counties in southwestern Arkansas. WHTC also provides intraLATA, intrastate and interstate long distance toll services to customers within its local exchange service area.

MoKan Dial, Inc. is a wholly-owned subsidiary of KM Dial, Inc., a holding company that is a wholly-owned subsidiary of TTI. KM Dial, Inc. directly provides no telecommunications services. MoKan Dial, Inc. provides local exchange telephone services (including interstate exchange access) in the Louisburg, Hillsdale and Rantoul exchanges in Miami and Franklin Counties in east central Kansas and in the Freeman exchange in Cass County in west central Missouri. MoKan Communications, Inc., a wholly-owned subsidiary of MoKan Dial, Inc., provides intrastate and interstate long distance toll services, broadband services and customer premises equipment in portions of eastern Kansas and western Missouri.

Choctaw Telephone Company, a wholly-owned subsidiary of TTI, provides local exchange telephone services (including interstate exchange access) in the Halltown exchange in Lawrence and Greene Counties in southwestern Missouri.

Haxtun Telephone Company, a wholly-owned subsidiary of TTI, provides local exchange telephone services (including interstate exchange access) in the Haxtun, Crook and Fleming exchanges in Phillips, Logan, Washington, Yuma and Sedgwick Counties in northeastern Colorado.

Northeast Florida Telephone Company (“NFTC”), is a wholly-owned subsidiary of NEFCOM, Inc., a holding company that is wholly owned by TTI. NFTC provides local exchange telephone services (including interstate exchange access) in the Macclenny and Sanderson exchanges in Baker County in northeastern Florida. NFTC also provides intraLATA long distance toll services to customers within its local exchange service area. Northeast Florida Long Distance, also a wholly-owned subsidiary of NEFCOM, Inc., provides competitive intrastate and interstate long distance toll services, broadband services, customer premises equipment and payphone services in northeastern Florida.

Pymatuning Independent Telephone Company (“Pymatuning”), a Pennsylvania corporation, provides local exchange services (including interstate interexchange access) as an ILEC in portions of the Borough of Greenville in Mercer County in northwestern Pennsylvania. Pymatuning's local exchange services include a variety of calling features, including caller ID and voice mail. Pymatuning's exchange serves approximately 2,400 access lines. Pymatuning also provides high-speed Internet access services and radio paging services.

P.T. Communications Corporation (“PTCC”), a wholly owned subsidiary of Pymatuning, resells intrastate, interstate and international long distance toll services to customers in and around Pymatuning's local exchange service areas. PTCC also furnishes business systems, fiber optic networking, data cabling and video conferencing in portions of western Pennsylvania and eastern Ohio.

Oregon Farmers Mutual Telephone Company (“OMFT”) is a Missouri corporation wholly owned by Townes Missouri, Inc., a holding company that is wholly owned by TTI. OMFT is an ILEC that provides local exchange telephone services (including interstate exchange access) and other telecommunications information services and information services in and around the communities of Oregon, New Point and Forest City in Hold County in northwestern Missouri. Oregon Farmers Mutual Long Distance is a Missouri corporation wholly owned by OMFT that resells interstate and intrastate long distance toll services and other telecommunications-related services in and around OMFT's local exchange service area.

TTI holds a non-controlling 3.28 percent limited partnership interest in Texhoma Cellular Limited Partnership, the licensee of the Cellular Radio Service Station KNKA577 in the Wichita Falls, Texas market.

#### **Transferee:**

Transferee, Hilliary, is an Oklahoma holding company. Hilliary does not offer domestic telecommunications services. Hilliary is affiliated with the following companies that provide local exchange and domestic interexchange services in Oklahoma:

Medicine Park Telephone Company, Inc. (“Medicine Park”) is 100 percent owned by the Hilliary Family First, LLC (“HFF”), which is owned by two family owned trusts, 50 percent owned by the Alice Jo Hilliary Revocable Trust Dated April 16, 2014, and 50 percent owned by the Edward A. Hilliary, Jr.



Revocable Trust. Douglas J. Hilliary and Edward E. Hilliary Jr. are co-managers of HHF and co-managers and Trustees of both family trusts. Medicine Park is a rural ILEC providing local exchange telephone service and other services in the Medicine Park, Acme, Agawam, Cookietown, and Saddle Mountain areas of Oklahoma.

Oklahoma Western Telephone Company, Inc. ("Oklahoma Western") is 100 percent owned by Hilliary Acquisition Corp 2016, LLC. Douglas J. Hilliary, Dustin J. Hilliary, Michael J. Hilliary, and Edward E. Hilliary, Jr. each hold a 25 percent interest in Hilliary Acquisition Corp 2016, LLC. Oklahoma Western is an ILEC providing local exchange and domestic interexchange service in southwest Oklahoma. Oklahoma Western is also the FCC licensee of the Cellular Radio Service Station KNKN972 in Oklahoma 10 – Haskell, the PCS Broadband Station KNLH307 in BTA267, McAlester, Oklahoma, and holds Broadband Radio Service and Common Carrier Fixed Point-to-Point microwave licenses.

Phoenix Long Distance, Inc. is 100 percent owned by Oklahoma Western and provides domestic interexchange service in southwest Oklahoma.

Wichita Online, LLC ("Wichita Online") is owned by Douglas J. Hilliary, Dustin J. Hilliary, Michael J. Hilliary, and Edward E. Hilliary, Jr. who each hold a 25 percent interest. Wichita Online provides local exchange and domestic interexchange service in southwest Oklahoma.

Southern Plains Cable, LLC ("Southern Plains") is owned by Douglas J. Hilliary, Dustin J. Hilliary, Michael J. Hilliary, and Edward E. Hilliary, Jr. who each hold a 25 percent interest. Southern Plains is a CLEC and provides local exchange and domestic interexchange services in southwest Oklahoma.

Texhoma Fiber, LLC ("Texhoma") is owned by Douglas J. Hilliary, Dustin J. Hilliary, Michael J. Hilliary, and Edward E. Hilliary, Jr. who each hold a 25 percent interest. Texhoma provides domestic interexchange services in southwest Oklahoma.

**8. Statement as to how the application fits into one or more of the presumptive streamlined categories in section 63.03 or why it is otherwise appropriate for streamlined treatment.**

The acquisition of Tatum will not result in any changes to the operations of, including the geographic areas served and services offered by Tatum.

This transaction also qualifies for streamlined treatment under Section 63.03(b)(2)(iii) of the Commission's Rules. Hilliary and its affiliates together have a market share in the interstate, interexchange market of substantially less than 10 percent; (b) together have less than two percent of the nation's subscriber lines installed in the aggregate nationwide; and (c) do not overlap or abut the telecommunications service areas of any other company in which any of the equity holders have any cognizable interest.

**9. Identification of all other Commission applications related to the same transaction:**

Contemporaneously with the filing of this Domestic 214 Transfer of Control application, the Transferor and Transferee will be filing through the IBFS an application for consent to transfer

control of the International 214 authorization (ITC number ITC-214-20030516-00244) held by Tatum's affiliate, Electra, and an application with Bureau for consent to transfer control of the Domestic 214 authorization held of Electra.

**10. Statement of whether the applicants are requesting special consideration because either party to the transaction is facing imminent business failure:**

No party to the transaction is facing imminent business failure at this time. Therefore, the Applicants are not requesting special consideration because a party to the transaction is facing imminent business failure.

**11. Identification of any separately filed waiver requests being sought in conjunction with the transaction:**

No separately filed waivers or waiver requests are being sought in conjunction with the proposed transaction.

**12. A statement showing how grant of the application will serve the public interest, convenience and necessity, including any additional information that may be necessary to show the effect of the proposed transaction on competition in domestic markets:**

As indicated above, this transaction will have no impact on competition in domestic telecommunications markets. The proposed transaction entails the transfer of control of Tatum to Hilliary, an established and financially secure rural telephone organization that has long owned ILEC subsidiaries and affiliates that serve rural portions of Oklahoma. Hilliary has a proven record of investing in rural networks and communities of its subsidiaries and affiliates and of providing high quality telecommunications services to their rural areas. Tatum will have access to additional capital resources to allow Tatum to continue to provide new services and expand existing services to rural unserved and underserved areas of northeastern Texas. Accordingly, the proposed transaction will benefit the residents of northeastern Texas who will have access to these new and expanded service offerings.

**CONCLUSION**

In light of the foregoing facts and public interest considerations, the parties respectfully request that the Commission consent to the transfer of control of Tatum and its blanket domestic Section 214 authorization that will result from the acquisition of a controlling interest in Tatum by Hilliary. Consistent with precedent, the proposed transaction will serve the public interest, convenience, and necessity by ensuring that Tatum will continue to be controlled and managed

by individuals with extensive knowledge of the local telephone operations and the needs of the communities it serves, thereby directly benefitting all area consumers.

Respectfully submitted,

By: */s/ Carri Bennet*

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Carri Bennet  
Marjorie Spivak  
*Counsel for Hilliary Acquisition Corp. Texas, LLC*

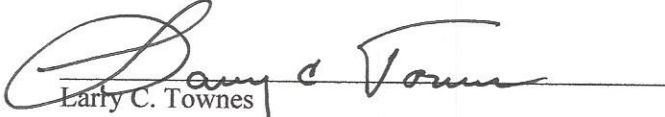
Womble Bond Dickinson (US) LLP  
1200 Nineteenth Street NW  
Suite 500  
Washington D.C., US 20036  
(202) 857-4538

Dated: October 2, 2018

**DECLARATION OF LARRY C. TOWNES**

I, Larry C. Townes, President of Transferor, Townes Telecommunications, Inc. and President of Tatum Telephone Company, Inc., do hereby declare under penalty of perjury that the foregoing filing was prepared under my direction and supervision and that the contents of the filing and the certifications contained therein are true and correct to the best of my knowledge, information and belief.

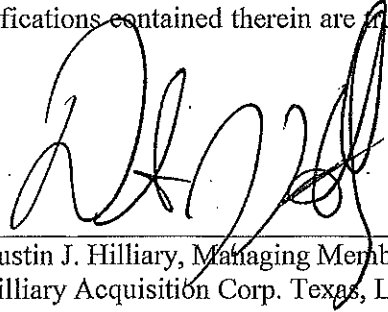
Executed on 2<sup>nd</sup> day of October, 2018

  
Larry C. Townes  
President, Townes Telecommunications, Inc.  
President, Tatum Telephone Company, Inc.

# **DECLARATION OF DUSTIN J. HILLIARY**

I, Dustin J. Hilliary, Managing Member of Transferee, Hilliary Acquisition Corp. Texas, LLC, do hereby declare under penalty of perjury that the foregoing filing was prepared under my direction and supervision and that the contents of the filing and the certifications contained therein are true and correct to the best of my knowledge, information.

Executed on 28 day of September, 2018



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Dustin J. Hilliary, Managing Member  
Hilliary Acquisition Corp. Texas, LLC